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February 24, 2011

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: CC Docket No. 96-45 - Federal- Joint Board on Universal Service
WC Docket No. 03-109 - Lifeline and Link Up
NOTICE OF EX PARTE PRESENTATION

Dear Ms. Dortch:

On February 18, 2011, undersigned counsel for TracFone Wireless, Inc. met with Zachary Katz, Legal Advisor to Chairman Genachowski, with Sharon Gillett, Chief, Wireline Competition Bureau, Carol Matthey, Deputy Chief, Wireline Competition Bureau, and with Trent Harkrader, Chief, Telecommunications Access Policy Division, Wireline Competition Bureau. During that meeting, we discussed the forthcoming notice of proposed rulemaking on Lifeline and Link Up matters, including eligibility certification, verification and consumer outreach. Also during that meeting, TracFone was requested to provide certain data regarding TracFone's average "break even" period for Lifeline customers and its Lifeline customers' average usage per month. The purpose for this supplemental ex parte presentation letter is to provide the data requested.

REQUEST FOR CONFIDENTIAL TREATMENT

Pursuant to Section 0.459 of the Commission's rules, TracFone, by its undersigned counsel, requests that certain information contained in this letter be accorded confidential treatment and that such information not be routinely available for public inspection. In particular, TracFone requests that its average break even period for Lifeline customers and its Lifeline customers' average monthly usage receive confidential treatment. The requested data includes highly confidential competitively sensitive information which would cause TracFone harm if that data became available to existing or potential competitors. In addition, the requested data is not available to the public. Public disclosure of data regarding the length of time it takes TracFone to recoup the costs of enrolling a customer in Lifeline (*i.e.*, the break even period) and customer usage data and access by TracFone's competitors to the requested information would be competitively harmful to TracFone because it would provide competitors with important

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information regarding the amount of funds TracFone expends to enroll and service a Lifeline customer and regarding whether TracFone's Lifeline offering is meeting the needs of its customers. Accordingly, pursuant to Section 0.459 of the Commission's rules, TracFone respectfully requests that the information provided in this letter not be routinely available for public inspection.

SUPPLEMENTAL INFORMATION

TracFone was asked about the average "break even" period for enrolling Lifeline customers. TracFone estimates the break even period for its SafeLink Wireless[®] Lifeline customers to be [REDACTED]. That is duration which customers must remain enrolled in TracFone's Lifeline program in order for TracFone to be able to recover its costs of capturing and serving that customer, including handset acquisition costs, delivery costs, and costs of marketing and outreach. TracFone also was asked about its Lifeline customers' average usage per month. Of TracFone's three Lifeline plans, its 250 minute per month plan is the most popular. Customers enrolled in that plan receive 250 minutes of free wireless airtime per month. On average, those customers use [REDACTED] minutes per month for voice calling and send/receive [REDACTED] SMS text messages per month. At the plan rate of 1 minute of airtime per text message, average monthly usage by customers enrolled in the 250 minute plan is [REDACTED] minutes.

TracFone is providing the confidential version of this letter to the members of the Commission staff who attended the February 18 meeting. A redacted version of this letter is being filed electronically in accordance with Sections 0.459(a)(1) and 1.1206 of the Commission's rules. If there are questions, please communicate directly with undersigned counsel for TracFone.

Sincerely,



Mitchell F. Brecher
Counsel for TracFone Wireless, Inc.

cc: Mr. Zachary Katz
Ms. Sharon Gillett
Ms. Carol Matthey
Mr. Trent Harkrader